IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
SECOND APPEAL NO.522 OF 2006

M/s.Mandar Enterprises & Anr. ...Appellants

vs.

The State Bank of India ...Respondent

Mr.P.P.Bhosale i/b Mr.A.L.Desai for the Appellants

CORAM: A.S.OKA,J.
DATE : DECEMBER 11,2007.

P.C.:

1. Heard Advocate for the Appellants. The Appellants are the original defendants in a suit filed by the first Respondent-State Bank of India. The trial court decreed the suit and granted interest at the rate of 13% p.a. from the date of the suit till realization of the decretal amount. The Appeal preferred by the Appellants before the District court has been dismissed.

2. The submission of the learned Advocate for the Appellants is that the courts below have committed an error by awarding interest at the rate of 13% p.a. He submitted that there was no evidence on record to justify the grant of further interest at the rate of 13% p.a. He submitted that therefore, the courts below have committed an error while fixing the interest at the rate of 13% p.a.

3. I have given careful consideration to the submissions.

The first Appellant was granted a cash credit facility by the first Respondent. The cash credit facility was granted as the first Appellant was running a small scale industry. As per the various documents executed by the Appellant, the rate of interest is agreed to be 13% p.a. The Courts below have found that the document at Exh.58 provided that the interest shall be charged at the rate of 3.5% below the rate of State Bank of India subject to the minimum rate of 13% p.a.

4. The amount was advanced by the first Respondent to the Appellants for fibre glass slaving business. In view of the provisions of the section 34 of the Code of Civil Procedure,1908, the learned trial Judge was justified in granting interest at the rate of 13% p.a. There is no error committed by the courts below. No substantial question of law arises. Second Appeal is dismissed with no order as to costs.

JUDGE